

ASTANA FINANCE

16 July 2009

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In addition, all figures contained in this presentation for the first four months of 2009 are based on management accounts only and are subject to (i) an ongoing review of the Company’s results for that period by the Company’s auditors and (ii) an ongoing independent review of the adequacy of the current levels of provisioning applied to the Company’s loan portfolio. Accordingly, all such figures contained herein are subject to change.

INTRODUCTION

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INTRODUCTION


-  **On 19 May 2009**, JSC Astana Finance ("Astana Finance" or the "Company") and Astana Finance B.V. announced their decision to suspend payments of interest and principal on their international obligations, and, in the case of Astana Finance, to suspend principal payments on certain of its domestic obligations, as of 15 May 2009 in each case

-  The main factor that influenced this decision was the rating downgrade of Astana Finance in February 2009, which resulted from various factors including the rating downgrade of the Republic of Kazakhstan
 - This triggered put option provisions in certain of Astana Finance's international debt obligations and allowed creditors to claim early repayment of their outstanding principal and interest and these were not paid when due on 24 April 2009


 - The total amount of these liabilities is approximately USD180mm

 - In addition, the Company was not able to meet margin call requests under a Credit Contingent Swap agreement

-  The announcement on 19 May 2009 coincided with a scheduled coupon payment of approximately USD8mm, which Astana Finance was not able to service due to its liquidity position

-  **On 3 June 2009**, ISDA's Determination Committee resolved that a Failure to Pay Credit Event in respect of Astana Finance occurred, triggering CDS contracts on its name

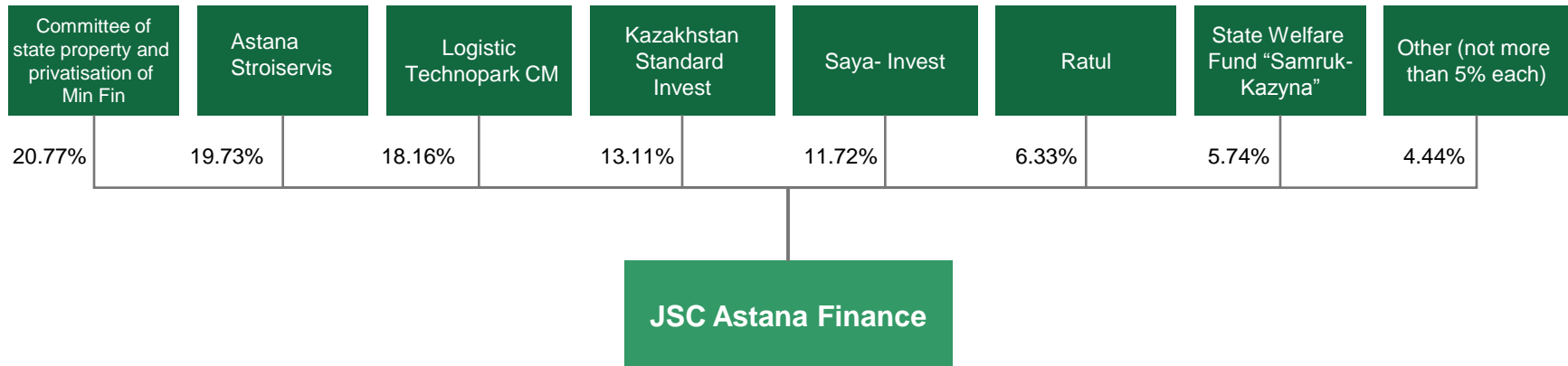
-  During the course of May, some derivatives exposures left Astana Finance with significant potential losses.
 - The loss of cash collateral under this contract had a significant negative effect on the Company's liquidity position.
 - The Company has since received acceleration notices from some of its creditors/bondholders.

-  As a consequence, the Company is working to develop a restructuring plan
 - The restructuring proposal shall be both fair to investors and ensure the ongoing financial health of Astana Finance

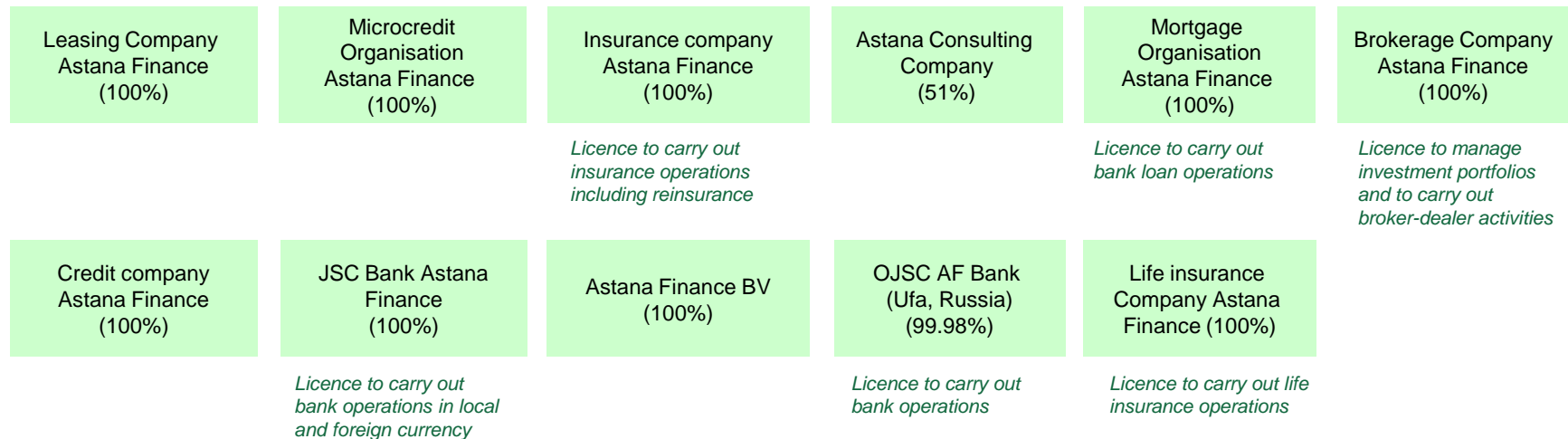
-  While any restructuring proposal is expected to apply to both the international and the domestic obligations of the Company, in order to continue its operational activities, Astana Finance needs to maintain access to essential sources of liquidity.

Legal structure of AF and its subsidiaries—as at 1 June 2009

Shareholders



Subsidiaries



UPDATE ON CURRENT FINANCIAL SITUATION

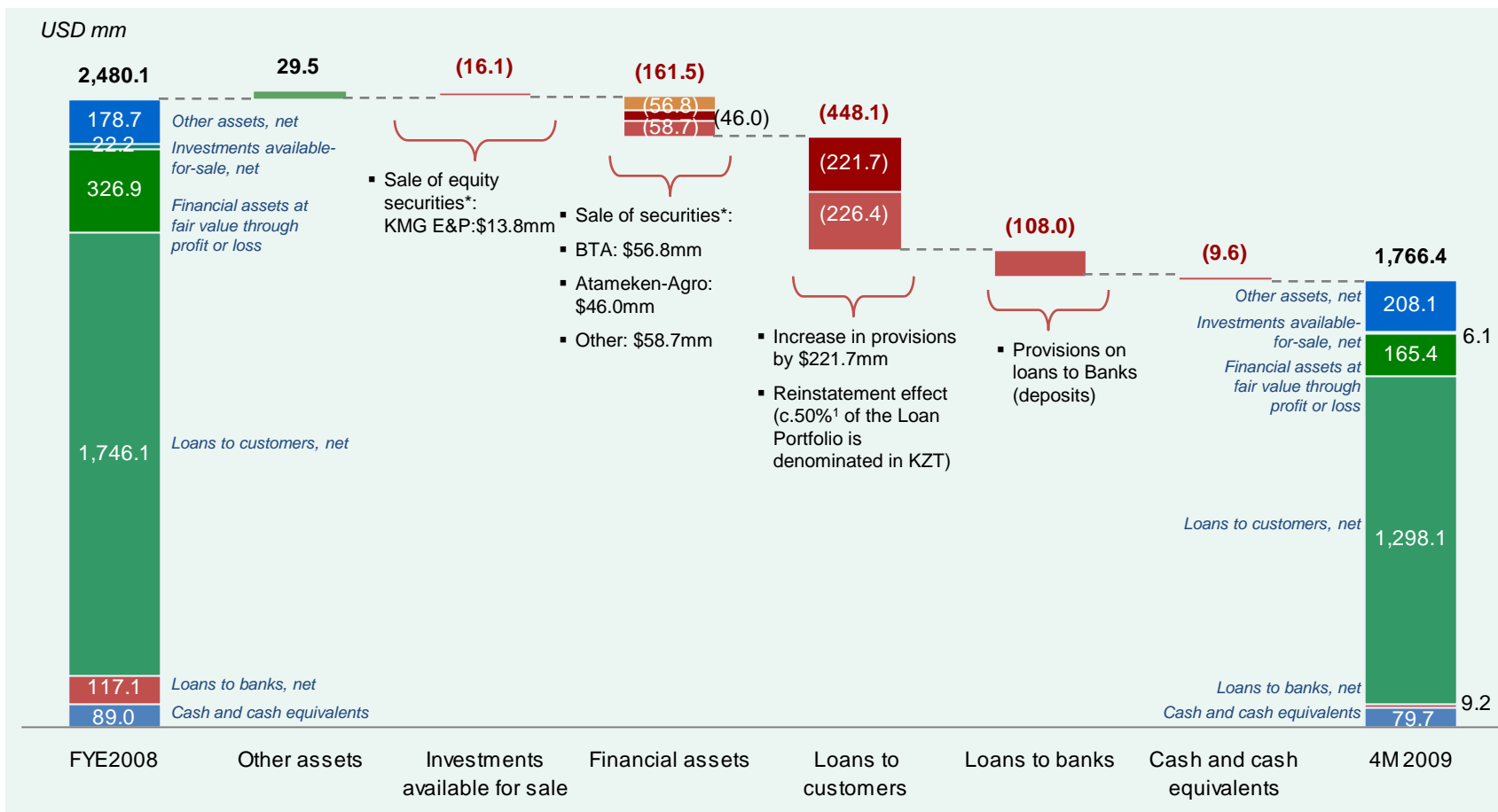
Balance sheet (consolidated)

Balance Sheet Overview

	FYE'08 (KZT '000)	4M'09 (KZT '000)	Change (KZT '000)	FYE'08 (USD mm)	4M'09 (USD mm)	Change (USD mm)	Change (USD) %
Cash and cash equivalents	10,746,101	11,960,700	1,214,599	89.0	79.4	(9.6)	(11%)
Loans to banks, net	14,147,744	1,384,058	(12,763,686)	117.1	9.2	(108.0)	(92%)
Loans to customers, net	210,881,600	195,542,127	(15,339,473)	1,746.1	1,298.1	(448.1)	(26%)
Fin. assets at fair value through profit or loss	39,482,783	24,921,124	(14,561,659)	326.9	165.4	(161.5)	(49%)
Investments available-for-sale, net	2,682,369	923,853	(1,758,516)	22.2	6.1	(16.1)	(72%)
Investment held to maturity	2,284,050	2,318,653	34,603	18.9	15.4	(3.5)	(19%)
Fixed and intangible assets, net	6,274,457	7,245,724	971,267	52.0	48.1	(3.9)	(7%)
Other assets, net	13,018,144	21,786,887	8,768,743	107.8	144.6	36.8	34%
TOTAL ASSETS	299,517,248	266,083,126	(33,434,122)	2,480.1	1,766.4	(713.7)	(29%)
Including authorized capital	29,940,200	27,130,150	(2,810,050)	247.9	180.1	(67.8)	(27%)
Retained earnings	(159,369)	(65,940,298)	(65,780,929)	(1.3)	(437.7)	(436.4)	(33,272%)
SHAREHOLDERS EQUITY	29,780,831	(38,810,148)	(68,590,979)	246.6	(257.6)	(504.2)	(204%)
Due to banks	49,364,399	53,298,039	3,933,640	408.7	353.8	(54.9)	(13%)
Payable to state organizations	16,388,597	19,552,537	3,163,940	135.7	129.8	(5.9)	(4%)
Debt securities issued	166,578,875	180,658,357	14,079,482	1,379.3	1,199.3	(180.0)	(13%)
Fin. liabilities at fair value through profit or loss	101,678	381,851	280,173	0.8	2.5	1.7	201%
Customer accounts and deposits	6,168,763	15,152,776	8,984,013	51.1	100.6	49.5	97%
Other liabilities	3,115,795	8,184,273	5,068,478	25.8	54.3	28.5	111%
Subordinated debt	22,243,310	21,700,578	(542,732)	184.2	144.1	(40.1)	(22%)
Debt component of preferred share	5,775,000	5,964,863	189,863	47.8	39.6	(8.2)	(17%)
LIABILITIES	269,736,417	304,893,274	35,156,857	2,233.5	2,024.0	(209.5)	(9%)
TOTAL LIABILITIES AND EQUITY	299,517,248	266,083,126	(33,434,122)	2,480.1	1,766.4	(713.7)	(29%)

For illustrative purpose USD/KZT exchange rate of 120.77 has been used to convert all the historical values for FYE2008 and 150.64 for 4 months 2009 in KZT
 Note: 4M'09 unaudited Company financials

Total assets - FYE2008 vs. 4 months 2009 (consolidated)



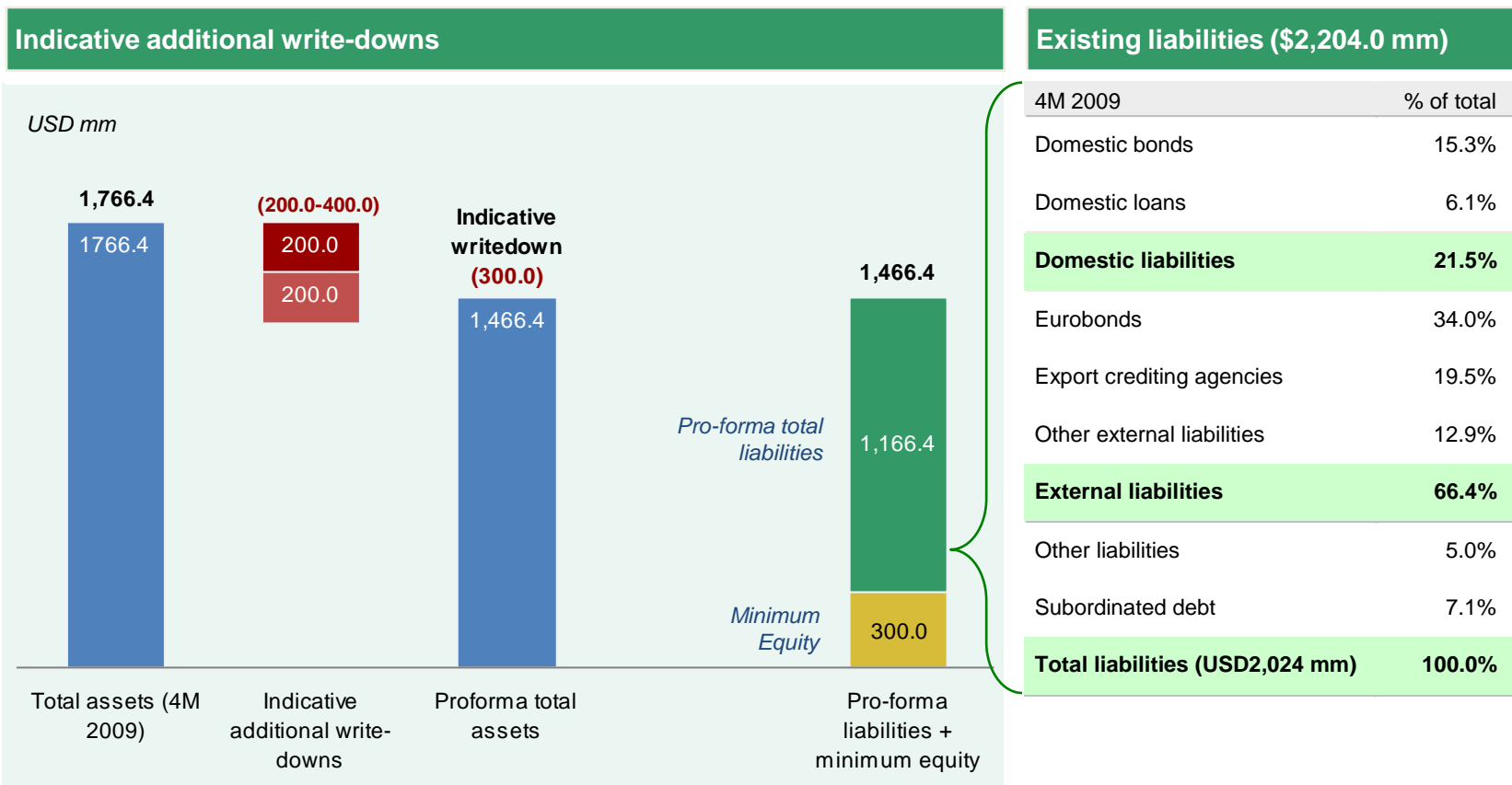
* Sale of the above mentioned securities took place to raise funds for the repayment of the \$125mm Eurobond that was due in February 2009

For illustrative purpose USD/KZT exchange rate of 120.77 has been used to convert all the historical values for FYE2008 and 150.64 for 4 months 2009 in KZT

Note: 4M'09 unaudited Company financials

¹ On consolidated basis

Total assets – potential additional write-downs (consolidated)



For illustrative purpose USD/KZT exchange rate of 150.64 has been used to convert for 4 months 2009 in KZT
 Note: 4M'09 unaudited Company financials

LIABILITIES SNAPSHOT

Liabilities snapshot (unconsolidated)

4M 2009	(KZT '000)	(USDmm)
Domestic loans	18,664,904	124.4
Domestic bonds	46,474,487	309.8
Subordinated bonds	21,324,289	142.2
Total domestic liabilities	86,463,680	576.4
Eurobonds	103,320,845	688.8
Export credit agencies ¹	32,826,646	218.8
Other	36,054,183	240.4
Total external liabilities	172,201,674	1,148.0

For illustrative purpose USD/KZT exchange rate of 120.77 has been used to convert all the historical values for YE2008 and 150.64 for 4 months 2009 in KZT

Note: 4M'09 unaudited and unconsolidated Company financials

¹ Excludes \$176.1mm of ECA's at the Leasing Company Astana Finance

Domestic loans (unconsolidated)

4M 2009	Currency	(KZT '000)	(USDmm)
Administration of Atyrau City	KZT	341,200	2.3
Entrepreneurship Development Fund DAMU	KZT	5,768,812	38.5
State Inst. Astana Construction Administration	KZT	2,961,342	19.7
Samruk-Kazyna	KZT	8,961,544	59.7
OJSC AF Bank	USD	565,829	3.7
OJSC AF Bank	EUR	66,179	0.4
Domestic loans		18,664,905	124.4

Domestic bonds (unconsolidated)

4M 2009	(KZT '000)	(USDmm)
4 issuance (НИИ KZ2CKY07B162 ASFIb4)	2,002,138	13.3
5 issuance (НИИ KZPC1Y05D501 ASFIb5)	4,682,981	31.2
6 issuance (НИИ KZPC2Y07B505 ASFIb6)	922,232	6.1
8 issuance (НИИ KZPC1Y05B725 ASFIb8)	369,983	2.5
10 issuance (НИИ KZPC3Y10B721 ASFIb10)	183,893	1.2
11 issuance (НИИ KZPC1Y10C202 ASFIb11)	6,305,117	42.0
14 issuance (НИИ KZPC3Y12C253 ASFIb12)	5,457,898	36.4
22 issuance (НИИ KZP01Y15D013 ASFIb16)	17,224,326	114.8
23 issuance (НИИ KZP02Y03D017 ASFIb23)	4,699,306	31.3
24 issuance (НИИ KZP03Y05D010 ASFIb24)	4,626,613	30.8
Domestic bonds	46,474,487	309.8
7 issuance (НИИ KZPC1Y10B634 ASFIb7)	307,145	2.0
9 issuance (НИИ KZPC2Y15B722 ASFIb9)	5,125,057	34.2
13 issuance (НИИ KZPC2Y15C258 ASFIb15)	5,722,186	38.1
26 issuance (НИИ KZP08Y10C532 ASFIb22)	10,169,901	67.8
Subordinated bonds	21,324,289	142.2

External liabilities (unconsolidated)

4M 2009	Loan Currency	Debt in loan currency	(KZT '000)	(USDmm)
Eurobonds			103,320,845	688.8
Export-credit agency			32,826,646	218.8
Other			36,054,183,25	240.4
Share premium contracts between AF and Astana Finance BV	USD	2,627,436	395,797	2.6
Private placement-1	USD	36,663,769	5,523,030	36.8
Private placement-2	USD	9,968,797	1,501,700	10.0
Private placement -3	JPY	9,836,288,052	15,147,884	101.0
Private placement-4	USD	55,730,821	8,395,291	56.0
Private placement -5	EUR	10,126,102	2,034,536	13.6
Agreement between AF and a counterparty	USD	20,286,417	3,055,946	20.4
Total external liabilities			172,201,674	1,148.0

LOCAL INSOLVENCY REGIME

The information set out under this section entitled "local insolvency regime" has been prepared on behalf of the Company by its legal counsel in the Republic of Kazakhstan, First Legal LLP.

Local insolvency regime



If a creditor chooses to take a local corporate into liquidation/ insolvency, there will be three scenarios that may apply:

- Rehabilitation (either with or without a participant willing to inject funds in exchange for an equity participation in the company)
- External Management
- Bankruptcy



Rehabilitation without a financial “participant”

- Rehabilitation is a measure which may be initiated by any shareholder or the management board of the applicable institution.
- A rehabilitation manager is appointed to implement the rehabilitation plan on behalf of the institution and the creditors, and to ultimately prepare a final report to be presented to the court in Kazakhstan and the Committee for Working with Insolvent Debtors within the Ministry of Finance in Kazakhstan (“Debtors’ Committee”).
- Under rehabilitation, which may last up to 3 years, interest charges on the institution’s debts cease to accrue and the enforcement of court orders or arbitral awards against the institution in respect of indebtedness (whether domestic or international) would not be permitted. Accordingly, rehabilitation would provide the institution with protection from enforcement in respect of its indebtedness that arose prior to or during the rehabilitation period.

Local insolvency regime (cont'd)

Rehabilitation with a financial “participant”

- A variation of the rehabilitation process described above where a “participant” injects funds in exchange for an equity participation in the institution. In the event that financial rehabilitation is unsuccessful and the institution falls into liquidation, the participant becomes jointly liable with the institution for the institution’s debts.

External Management

- External Management is a measure which may be initiated by a creditor or the Debtors’ Committee, and is subject to court approval. During the external management period, which is typically between three months and one year, authority to manage the institution would be transferred to a duly licensed external manager appointed by the Debtors’ Committee. The external manager performs a due diligence exercise with a view to preserving the institution’s assets, restoring its solvency, identifying creditors and protecting creditors’ interests. A creditors’ committee would be formed to approve certain actions of the external manager.

Bankruptcy

- A creditor may file a bankruptcy claim in the RK court, and the debtor within 10 days may send to the court a response to the creditor’s claim. In this response, the debtor should provide information about its ability to satisfy the creditors’ claims, including obligations which have matured or which will mature within 3 months. The absence of any response is deemed to constitute admission by the debtor of its insolvency.
- A bankruptcy order made by the RK court does not have effect for 15 days, during which time the debtor may apply to the court for the order to be set aside.
- After 15 days, if no appeal has been lodged, the bankruptcy order takes effect and a liquidator must be appointed within five days by the Debtors’ Committee.

Local insolvency regime (cont'd)



Bankruptcy

- The priority of payments on bankruptcy under Kazakhstan law in relation to Astana Finance is as follows:
 - Payments in respect of tort claims involving harm to life or health
 - Payments due to employees as a result of their employment and related social security payments and copyright royalties
 - Payments to secured creditors
 - Tax liabilities and other mandatory payments to the state budget
 - Payments in respect of other claims, including all unsecured claims of creditors



General principles under local insolvency regime

- Pari passu treatment of creditors of the same class
- A rehabilitation manager has the power to challenge any potential transaction at an undervalue or preferential transaction entered into up to 3 years prior to the court's approval of the rehabilitation plan
- Any agreement with a creditor with respect to the satisfaction of its claim against the institution must be in writing, and may include optional set-off
- If an institution is declared bankrupt in Kazakhstan, assets are sold in a public auction

NEXT STEPS

Restructuring process—suggested timeline

